

**STATE OF LOUISIANA**  
**DEPARTMENT OF STATE CIVIL SERVICE**  
**BATON ROUGE, LOUISIANA**

General Circular No. 001402

To: Heads of State Agencies and Human Resource Directors

Subject: Proposed Rules For Severance Incentives

Issue Date: September 1, 2000

The State Civil Service Commission will hold a public hearing on October 4, 2000 to consider the following rule proposals. The hearing will begin at 9:00 a.m. and will be held in the Department of Civil Service Second Floor Hearing Room, DOTD Annex Building, 1201 Capitol Access Road, Baton Rouge, Louisiana.

The following will be considered at the meeting:

AMEND RULE 17.5

5. Layoff Avoidance Measures.

- a. Layoff avoidance measures shall consist of withholding of merit increases, reduction in work hours, reduction in rates of pay, furloughs without pay and severance incentive payments.
- b. ...
- c. ...

EXPLANATION

This amendment will give an appointing authorities an additional layoff avoidance measure. This proposed revision, in conjunction with the proposed Rule 17.13.1, will allow an appointing authority to offer a severance incentive payment, as an incentive for employees who are already eligible to retire (and for those who are in the Deferred Retirement Option Program (DROP) or who have already completed DROP) to do so. For further clarification, see the explanation of proposed Rule 17.13.1.

AMEND RULE 17.7(b)

17.7 Salary Increases When Utilizing Layoff Avoidance Measures.

(a) Whenever an appointing authority uses any layoff avoidance measures, no optional pay increases in that affected organizational unit may be given without first obtaining Commission approval for the organizational units, activities, or classes that will be excepted from this provision.

(b) Exceptions to Rule 17.7(a) shall be the following:

(1) No pay restrictions are imposed when only the work week is reduced for every employee, excluding those exempted under Rule 17.3(a), in the organizational unit affected, or when only severance incentive payments are used.

(2) ...

c. ...

#### EXPLANATION

This Rule must be amended to allow other employees in an agency to receive optional pay increases when the agency is only using severance pay incentives as a layoff avoidance measure.

#### AMEND RULE 17.10(a)

#### 17.10 Appointments Under Layoff Avoidance Measures.

(a) Whenever an appointing authority uses any layoff avoidance measures, except severance incentive payments, he must first terminate restricted and job appointments, as well as temporary staffing services employees, in the affected organizational unit(s). If such appointments must later be made by the appointing authority, they must be given interim approval by the Director within fourteen calendar days of the appointment, subject to ratification by the Commission within sixty calendar days of the appointment, or terminated.

(b) ...

#### EXPLANATION

This Rule is being amended in order to allow agencies to keep employees on restricted and job appointments while the agency is using severance incentive payments as a layoff avoidance measure.

#### ADD NEW RULE 17.13.1

#### 17.13.1 Severance Incentive Payments

An appointing authority may offer a severance incentive payment for up to a total of 1040 hours of unused sick and/or annual leave to employees who elect to retire from a state or statewide public retirement system within the time period established by the appointing authority. Payment shall be made at the time of retirement at the authorized base pay rate for the employee. The incentive payment shall be in addition to the payment for unused annual leave provided for in Rule 11.10. This payment shall not be included in the calculation of average compensation for retirement purposes.

#### EXPLANATION

There are a large number of employees on the payroll who are eligible to retire, others who are currently in DROP, and yet others who have completed DROP, but who are still working. The average salaries of such employees are considerably higher than the salaries of those with less state service, who would be most likely to be laid off. The proposed Rule adds another option to the possible layoff avoidance measures which appointing authorities might use to deal with budget cuts.

Persons interested in making comments relative to these proposals may do so at the public hearing or by writing to the Director of State Civil Service at Post Office Box 94111, Baton Rouge, Louisiana 70804-9111.

If any accommodations are needed, please notify us prior to this meeting.

Sincerely,

Allen H. Reynolds

Director